



Patrick W. Henning, Director  
November 20, 2009  
22M:388:TLA:1027



Arnold Schwarzenegger  
Governor

Ms. Cheryl Moore, Executive Director  
Workforce Investment Board of Ventura County  
855 Partridge Dr.  
Ventura, CA 93003

Dear Ms. Moore:

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)  
SUMMER YOUTH PROGRAM  
FINAL MONITORING REPORT  
PROGRAM YEAR 2009

This is to inform you of the results of our review for Program Year (PY) 2009 monitoring review of the Workforce Investment Board of Ventura County's (WIBVC) ARRA Summer Youth Program (SYP). This review was conducted by Mr. TG Akins from September 14, 2009 through September 17, 2009. Our review consisted of interviews with your staff and a review of the following items: expenditures charged to the ARRA SYP, oversight of your subrecipients, and procurement transactions. In addition, we interviewed service provider staff, SYP participants, and worksite supervisors, and focused on the following areas of your ARRA SYP: eligibility determination, program operations, participant worksites, participant payroll processing, and oversight.

Our review was conducted under the authority of Section 667.410(b)(1), (2) & (3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by WIBVC with applicable federal and state laws, regulations, policies, and directives related to the ARRA grant.

We collected the information for this report through interviews with representatives of WIBVC, service provider staff, ARRA SYP worksite supervisors, and ARRA SYP participants. In addition, this report includes the results of our review of sampled case files, WIBVC's response to Section I and II of the ARRA SYP Onsite Monitoring Guide, and a review of applicable policies and procedures for PY 2009.

We received your response to our draft report on November 9, 2009, and reviewed your comments and documentation before finalizing this report. Because your response did not address finding 1 cited in the draft report, we consider this finding unresolved. We request that WIBVC provide the Compliance Review Office (CRO) with additional

information to resolve the issue that led to the finding. Therefore, this finding remains open and has been assigned Corrective Action Tracking System (CATS) number 10016.

## **BACKGROUND**

The WIBVC allocated \$1,810,276 of their \$2,868,591 ARRA Youth Allocation to serve 660 summer youth program participants. As of August 31, 2009, WIBVC expended \$643,738 to serve 646 summer youth program participants.

## **ARRA SYP REVIEW RESULTS**

While we concluded that, overall, WIBVC is meeting applicable ARRA requirements, we noted an instance of noncompliance in the area of payroll charges. The finding that we identified in this area, our recommendation and WIBVC's proposed resolution of the finding is specified below.

### **FINDING 1**

**Requirement:** 29 CFR 97.22(a)(1) states, in part, that grant funds may be used only for the allowable costs of the subgrantees.

California Labor Code, Section 1391(a)(1) states, in part, that no employer shall employ a minor 15 years of age or younger before 7 a.m. or after 7 p.m., except from June 1 through Labor Day, when a minor 15 years of age or younger may be employed until 9 p.m. in the evening.

**Observation:** We found two participants had worked between June 1 and Labor Day and were paid for hours not allowed by the California Labor Code. Specifically, we found six instances in which a 14 year-old worked after 9 p.m. and one instance in which a 15 year-old participant worked after 9 p.m.

**Recommendation:** We recommended that WIBVC take the necessary corrective action to determine how many hours were paid to the 14 and 15 year-old participants who worked after 9 p.m. and determine the amount of ARRA money spent on unallowable hours that would need to be returned to the program. In addition, we recommended that WIBVC provide the Compliance Review Office (CRO) with the results of their review and documentation that the identified wages for these unallowable hours have been reimbursed to the ARRA account from a non-federal funding source.

**WIBVC Response:** The WIBVC stated that an audit of the records for both Summer Youth contractors revealed that a total of five participants worked after 9 p.m. Two of the participants were from PathPoint and the other three participants were from Boys and Girls Club of Greater Oxnard and Port Hueneme. PathPoint identified \$264.48 and Boys and Girls Club identified \$92 in disallowed costs. Also, WIBVC stated that both providers have agreed to refund their respective sums to the County as a credit on their October invoices. Lastly, WIBVC provided copies of emails from the providers which outline the results of their audits.

**State Conclusion:** Based on WIBVC's response, we cannot resolve this issue at this time. While we acknowledge that WIBVC has taken appropriate steps to identify the amount of disallowed costs associated with the participants who had worked after 9 p.m., WIBVC did not provide us with copies of the October invoices or with documentation that the ARRA accounts were reimbursed with funds from a non-federal funding source. We recommend that WIBVC provide CRO with documentation showing that the disallowed costs were reimbursed to the ARRA account from a non-federal funding source. Until then, this finding remains open and has been assigned CATS number 10016.

In addition to the finding above, we identified a condition that may become a compliance issue if not addressed. Specifically, we found that 5 out of 30 case files reviewed contained at least one timesheet that had been modified using correction fluid. We suggest that WIBVC ensure that, in the future, timesheets are not modified with correction fluid.

In its response, WIBVC did not address our concern.

Due to the short period of time the 2009 SYP was in operation the above corrective actions were requested in the exit conference in order that corrective action could be taken immediately. Thank you for the timely action taken on specific issues identified above. We are providing you up to 10 working days after receipt of this report to submit to the Compliance Review Office your response to this report. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than December 8, 2009. If we do not receive a response by this date, we will release this report as the final report.

Please submit your response to the following address:

Compliance Monitoring Section  
Compliance Review Office  
722 Capitol Mall, MIC 22M  
P.O. Box 826880  
Sacramento, CA 94280-0001

In addition to mailing your response, you may also FAX it to the Compliance Monitoring Section at (916) 654-6096.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all the areas included in our review. It is WIBVC's responsibility to ensure that its systems, programs, and related activities comply with the ARRA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain WIBVC's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact me at (916) 654-1292.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jessie Mar".

JESSIE MAR, Chief  
Compliance Monitoring Section  
Compliance Review Office

cc: Jose Luis Marquez, MIC 50  
Daniel Patterson, MIC 45  
Linda Patton-Finch, MIC 50  
Georganne Pintar, MIC 50